

The Impact of Formal and Informal Communication in Organizations a Case Study of Government and Private Organizations in Gilgit-Baltistan

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Abstract Organizations, nowadays are working in a competitive environment, where they are associated with different types of learning environments. Informal learning has also a great source of gaining a competitive edge over other organizations. Employees within any organization are in contact with informal learning other than their formal practices. Every type of organization has an informal learning environment where informal learning may be the cause of gaining an advantage, so the aim of this research is to find out the impact of informal learning and its impact of performance of employees. Either it has an influence on the enhancement of skills, behavior and attitude of employees or not. For the research study, organizations (governmental and non-governmental) of Gilgit-Baltistan are selected. A sample of 20 from these organizations, Karakoram International University (KIU) as governmental organization and Aga Khan Planning and Building Services Pakistan (AKPBSP) as non-governmental organization, has been selected to conduct the study. Questionnaires have been distributed among the employees of the stated organizations who gave their responses. These responses became fruitful in analyzing and interpretation of the data. After the analyses and interpretation of the data, it has been concluded that informal learning has a greater influence on the performance of employees of organizations.

Keywords: *communication, formal communication, informal communication, government organizations, private organizations*

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1. Introduction

Informal communication means to learn in an atmosphere where a learner is directed to the communication process in informal setting. The learner learns in non regular atmosphere. Tissot (2004) adds that this form of communication is concerned with the daily routine activities of work, with family or with friends or leisure time. The learner is not even sometimes aware of the fact that he/she is communication. This communication becomes the part of his other activities while with his/her family, leisure time and with his/her friends. This communication has neither any restrictions nor rules and regulations to be followed and it has no any specific time to be learnt, This form of communication is not limited to time, age, environment, ethnic background, occupation etc.

There are normally three forms of communication. In all the three forms of communication, (formal, non formal communication and informal communication), informal communication has comparatively a greater impact on the way a person learns. The difference between formal and informal communication is that formal communication consists of prescribed, formal methods of sharing while

informal communication does not require these things. This form of learning was neither recognized in old ages nor given much importance, however, as the world stepped towards the rapid development, this communication started to gain importance. According to Cheallaigh (2001), during the last 30 years, this communication phenomenon is moving from unilateral focus on institutionalized education to life- communication at work and everywhere. As today the global advancement and increased competition caused the organizations to have an account for such sort of communication to cope up with modern challenges, therefore, this communication is considered to be the most influencing way of communication in almost all the organizations. Some organizations view the informal communication as an important factor towards their success. While some organizations only consider formal communication and training as a key towards success despite of the fact that informal communication accounts highly for their success

1.2. Statement of the Problem

In today's competitive world, every organization is striving hard to compete with other organizations. In this competition, even the little efforts made by such organizations matter a lot. As the success of any organization

is dependent upon the hardworking employees and their improved performance and skills, so in this rivalry, informal communication plays a vital role. In this study we found out impacts of informal communication on the performance of employees within particular organizations i.e., government and non-government organizations and either the informal communication in these organizations impact on the performance of employees. If yes then how, how informal communication impacts on the performance of governmental and non-governmental organizations. Today organizations are surviving in a competitive environment and some organizations gain an edge over other organizations in all aspects. These organizations are striving to go beyond the other organizations.

1.3. Research Questions

The study is aimed at developing thorough answers for the below research questions

1. Does the employees' role as informal learners lead to their improved performance?
2. Is the improvement in skills result of informal communication?
3. What are the improvement areas to introduce develop and maintain a culture of informal communication?

1.4. Research Objectives

To assess the effectiveness of informal communication in organizations

To develop the awareness of the importance of informal communication

To find out the benefits of informal communication.

1.5. Scope of the Study

This Research would prove it's effective to assess the importance of informal communication for the employees. For this purpose, employees from governmental and non-governmental organizations are interviewed located in Gilgit, Pakistan.

1.6. Significance of the Study

This study is significant to the researchers in a sense that it will develop an extensive knowledge about the area of research. Besides it is helpful to utilize the potentials needed to go for a particular research, it is also much importance to the communication organizations as how best they can adapt the practices to enhance communication in the organizations i.e. more specifically restricted to informal communication in this research. The recommendations present in the research will be fruitful to cope up with the challenges such organizations will face. Everyone who goes through this research for pursuing knowledge or seeking help to fill the gaps in their strategies in order to improve their skills, knowledge, attitude and behavior, this research will pave the way. This study will prove to be significant for all types of organizations, like governmental and non-governmental. Apart from the benefits gained by the organizations from this research, it would also prove to be helpful in the way that by practicing it in real situations will result in

improved employee's performance in long run. As informal communication in organizations will result a shine in the personality, skills, behaviors and attitudes of employees, so this will also be helpful in overall organization's performance.

2. Literature Review

2.1. Communication

According to [1], 'communication helps in finding out and analyzing ourselves, creates ability to accomplish those things which were not easy to perform, aids in thinking about the whole world and one can relate himself to the world, encourages building effectiveness in oneself. Every individual needs communication resulting in strive for it' [2] adds in this regard and has a view that communication is the output of experience. Organizations are spreading education to its employees and its customers round the year. So these organizations need such a system which would support this communication. Constant communication means, to keep oneself up to date with changes in environment and to support the concepts form which the learner is familiar already. [3]

2.2. Informal Communication

Communication which occurs in outside settings of the organization is termed 'informal communication [4]. [5] Define informal communication as "communication that is un-structured based on experience and it is non-institutionalized. [6] suggest that informal communication includes more than 70 percent of overall communication in any workplace. Informal communication environments are less structured systems as compared to the formal communication setup where learning is turned from trainers to the people in contact with learning process. [7]. Informal learning can also be named as experiential learning where this is learnt from experience or through experience. But according to French system, it is regulated and defined in legal terms. According to this system, skills, knowledge and competencies will result in certification and also applied to diplomas, certificates and titles etc. [8] Informal learning is known to be the most important element of education for the learners of all ages [9] Good evidence is found in this respect that many people are engaged in technology based informal learning either at their homes, the community and their work life [10]. [11] Gave a conclusion in this field that the modern technology like computers and other forms of information technology keep the children and other people in contact with the experiences and activities that are supportive to learning processes but this form of learning is not in the traditionally made setup. In contrast to informal learning, there is formal learning which is according to [12], the environment which is under the supervision of curricula, teachers or trainers.

In the perspective of learner, informal learning is unintentional and does not result in certification. We can find much more definitions for informal learning to be quite similar to each other but the real difference is that the dependency of the study of informal learning on its

quality side. This form of learning is un-intentional so it would be quite hard to assess it without certification. From the research of Gerber, [13], it is clearly shown that the informal learning can be quantified while considering their informal learning activities but similar outcomes could not be generated in case of adults without modification.

2.3. Informal Learning in Organizations

[14] states that knowledge in any organization is shared both formally and informally between the workforce of any organization and they communicate socially. According to [15] informal learning is also dependent upon the general interests and it is thought to be “caught not taught”. As mentoring is the process in which a person provides and shares his knowledge, skills and experience to the one with less experience and knowledge, so there is an interpersonal relationship between the two. [16] Self-Directed Learning is also a sub part of informal learning in which an individual makes himself prepared to learn from his own. It creates spiritual development in a person. In this form of learning, a person knows how to do a certain task, or how to react in a particular situation. In self-directed learning, the learner is fully responsible for his or her choosing a course of action to plan, to carry out and to evaluate these learning experiences according to [17]. He also notices that it is not necessary that people learn alone, but the thing is that people learn when they are in relationship with other people on their work, on their leisure time and their time at home. People who are independent learners according to [18] are not intended to learn by their own. In an extension to this concept, he finds out that hobbyists do not learn alone. He also notices and finds out that we people are aware of the fact that mostly we learn in collaborations with others in Self Directed Learning. This self directed learning results the self development of individuals.

3. Methodology

According to test a hypothesis, researcher has to go through the three steps, such as formulating assumption, collecting the required data, analyzing data and drawing conclusions. The purpose of the study is hypothesis testing and the investigation type is exploratory in nature. The units for the purpose of analysis are the individuals within an organization i.e. employees of government and non-government organizations of Gilgit region.

3.1. Exploratory Research

This type of research is done in order to find out an area where there is a little knowledge about that area and to find out the possibilities of taking a specific research study. The aim of this exploratory research is to extend the little known knowledge and to explain it through research so that people may get an idea about the hidden phenomena also. The nature of the study is exploratory, therefore the researcher in this research wants to find out and to explore the little known facts like, as the topic of the research suggests, “informal learning in organizations of Gilgit,

where the researcher wants to make employees aware of the informal learning in their particular organizations.

3.2. Hypothesis

Ho1: Informal learning improves employee’s performance which results in improved organizations performance.

Ha1: Informal learning neither leads to improved employee’s performance nor leads to improved organization’s performance.

Ho2: Informal learning improves job related skills which influences pay and reward system.

Ha2: Informal learning does not improve job related skills and has no effect on pay and reward system.

Ho3: Organization’s performance increases by implementing informally learnt skills in real situation.

H13: There is no effect of informally learnt skills on organization’s performance.

3.4. Theoretical Framework

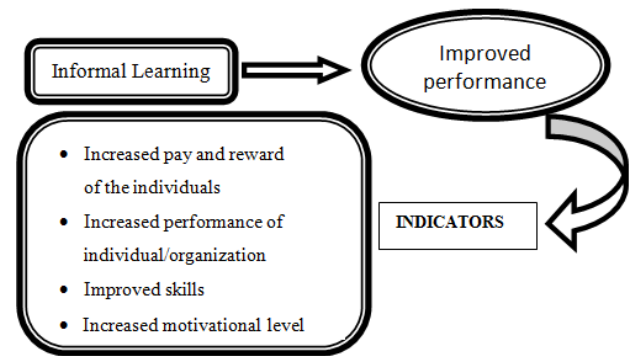


Figure 1. Informal Learning

4. Findings

4.1. Interpretation and Discussions

In this research, the researcher aims to find the informal learning in organizations of Gilgit, where governmental and non-governmental organizations have been taken for going through the study such as, Karakoram International University as governmental and AKPBSB as non-governmental organization. This research is qualitative based and the data has been collected in the form of questionnaires. This questionnaire consists of twenty questions which comprised of sixteen closed-ended and four open-ended questions. The open-ended questions were fruitful for the purpose of generating views and ideas of the employees of the organizations of Gilgit. Through stratified random sampling, a sample of ten employees is selected from KIU as governmental organization and ten from AKPBSB as non-governmental organization. To generate the views from the employees of these stated organizations, a five scale model is adopted which ranges from strongly disagree to strongly agree.

The data collected from questionnaires is processed on SPSS, after which the data became ready for interpretation. This interpretation is as under.

4.2. Age Distribution of Employees

The data given below shows the distribution of employees with respect to age.

Table 1. Age Distribution

| | Frequency | | Percent |
|-------|-----------|-------|---------|
| | 25-30 | 31-35 | |
| Valid | 7 | 8 | 35.0 |
| | 31-35 | 8 | 40.0 |
| | 36-40 | 4 | 20.0 |
| | above 40 | 1 | 5.0 |
| Total | 20 | | 100.0 |

The total number of respondents in the study is twenty. Different age groups fall into different categories. In the age limit 25-30, there are 7 respondents having a percentage of 35%, in the limit 31-35, there are 8 respondents which is 40% of overall respondents. It is the most contributing age group in the study. The limit 36-40, there 4 is the number of respondents which is twenty percent, while in the last category of age distribution, there is only one respondent which is 5% of overall number of respondents.

4.3. Gender

Given below is the data distribution according to gender of employees.

Table 2. Gender

| | Frequency | Percent |
|--------|-----------|---------|
| Male | 15 | 75.0 |
| Female | 5 | 25.0 |
| Total | 20 | 100.0 |

The category of gender shows that males contributed 75% while females are 25% of the percentage of respondents. This shows the imbalance of gender employment in the organizations.

4.4. Type of Organization

The table shown below shows the type of organization as governmental or non-governmental.

Table 3. Type of Organization

| | Frequency | Percent |
|----------------|-----------|---------|
| Government | 10 | 50.0 |
| Non-government | 10 | 50.0 |
| Total | 20 | 100.0 |

As in this study, two types of organizations are selected by the researcher. They are governmental and non-governmental organizations of Gilgit. So the table shows that both organizations have equal contribution in the research study.

4.5. Department where Employees are working

The data given below shows the distribution of employees according to their department.

Table 4. Departments

| | Frequency | Percent |
|----------|-----------|---------|
| HR | 3 | 15.0 |
| Finance | 6 | 30.0 |
| Accounts | 2 | 10.0 |
| Admin | 8 | 40.0 |
| Other | 1 | 5.0 |
| Total | 20 | 100 |

Different departments are taken in this study where admin category contributed highly, which is 40%. They are eight in number. H.R department contributed 15%, finance 30%, and accounts department 10%. This variation is shown in the [Table 4](#).

4.6. Qualification of the Employees

Qualification of employees is shown in the data given below.

Table 5. Educations

| | Frequency | Percent |
|----------------|-----------|---------|
| Post Graduates | 18 | 90.0 |
| PhDs | 2 | 10.0 |
| Total | 20 | 100.0 |

[Table 5](#) shows that in this study, the post graduates have a high contribution and contributed 90%, and only ten percent were post doctorates. This shows the study is conducted on the educational level of average. Neither the study neither contains highly qualified staff nor consists less qualified employees.

4.7. Experience of the Employees

The data shows the experience of employees working in the stated organizations.

Table 6. Experiences

| | Frequency | Percent |
|---------------|-----------|---------|
| Below 5 years | 15 | 75.0 |
| 6-10 | 5 | 25.0 |
| Total | 20 | 100.0 |

In the category of experience, most of the respondents fall in the category of experience less than five years and it has a contribution of 75%, while only 25% respondents have an experience 6-10 years. The graph shows that most of the employees of the stated organizations are less experienced.

4.8. Hypothesis Testing

Hypothesis has been developed in order to find out the impact of informal learning of employees and their performance in the organizations. This hypothesis is helpful in evaluating the positive influence of informal learning of individuals at work. Chi-square test is conducted to assess the validity of the following hypothesis.

H₀₁: Informal learning improves employee's performance which results in improved organizations performance.

Ha1: Informal learning neither leads to improved employee's performance nor leads to improved organization's performance.

Ho2: Informal learning improves job related skills which influences pay and reward system.

Ha2: Informal learning does not improve job related skills and has no effect on pay and reward system.

Ho3: Organization's performance increases by implementing informally learnt skills in real situation.

H13: There is no effect of informally learnt skills on organization's performance.

Table 7. Chi-square test

| | Hypothesis 1 | Hypothesis 2 | Hypothesis 3 |
|-------------------|--------------|--------------|--------------|
| Degree of freedom | 12 | 6 | 8 |
| Calculated value | 22.148 | 5.139 | 4.324 |
| Tabulated value | 26.2170 | 16.8119 | 20.0902 |

Confidence interval 0.01(99%)

According to hypothesis 1, informal learning improves employee's performance which results in improved organizations performance. This hypothesis is tested on Chi-square test, where it showed the value 22.148 containing a degree of freedom of 12. Confidence interval for the testing of hypothesis through chi-square test is 0.01. According to the table, this hypothesis falls in the acceptance region. Because the calculated value is less than tabulated value, therefore this hypothesis is accepted, where informal learning is the cause of improved performance of employees. As informal learning is a form of all other types of communication, so if formal communication can contribute in the employee's performance, then informal communication has also a great influence on informal learning. The degree of impact of informal communication is already shown above. The second hypothesis developed by the researcher is that, "Informal learning improves job related skills which influences pay and reward system." This hypothesis, when passed through Chi-square test, showed the calculated value as 5.139 with degree of freedom as 6. Confidence interval for the testing of hypothesis through chi-square test is 0.01. In this hypothesis calculated value is again less than tabulated value, therefore this hypothesis is accepted. After analyzing it in the table, it was seen that this hypothesis also proved that job related skills improved by informal learning increases their pay and reward system. As informal learning contributes highly in the development of skills, so many organizations increase the pay and rewards for their employees in response to the improved performance resulting from informal learning.

The third hypothesis, "Organization's performance increases by implementing informally learnt skills in real situation", is processed through Chi-square test which showed the result of calculated value as 4.324 having degree of freedom as 8. Confidence interval for the testing of hypothesis through chi-square test is 0.01. As the calculated value is less than tabulated value, therefore the hypothesis is accepted. The table, after taking these values, also shows that, this hypothesis falls into the acceptance region. From this acceptability of the hypothesis, it is said that organizations performance is increased if the employees implement their skills resulted from informal learning in real situation.

The questionnaires distributed among the employees of government and non-government organizations of Gilgit expressed the views of respondents about informal learning, where the conclusion drawn from these questionnaires was that majority of the employees were familiar with informal learning in their organizations. Their personal skills as well as organizational capability are increased due to the influence of informal learning in their organizations. This also increased their efficiency and effectiveness while performing formal routine tasks. As a result of the improved performance of employees in different organizational sectors under consideration Karakoram International University as government organization and AKPBSP as non-government.

5. Conclusion

Informal learning means to learn in a surrounding where a person is directed to be involved in learning process informally. Learning becomes a part of his/her work on non-regular basis. This form of learning is concerned with the daily routine activities of work, with family or with friends or leisure time (Tissot 2004). In informal learning the learner is not even aware of the fact that he/she is learning. This learning becomes the part of his/her skills, behavior and attitude. This learning becomes the part of his other activities while with his/her family, friends and in leisure time. This learning has neither any restrictions nor rules and regulations to be followed and it has no any specific time to be learnt, this form of learning is not limited to time, age, environment, ethnic background, occupation etc. , rather it creates a change in behavior, skills and attitude in any individual. In the organizational context, this form of learning has a dramatic effect on overall its working environment and its capacity. As informal learning is associated with individuals within an organization, so a change in behavior, skills and attitude of these individuals ultimately impacts on the organizational output. Its productivity and performance is improved by the aid of improved performance of employees associated with informal learning. Today, in the world of rapid development and competitive environment, it is necessary for the organizations to have a consideration of this type of learning. Keeping in view this opportunity; many organizations consider it as a most influencing mean of learning for themselves and their organization. Organization spend a considerable amount of money on formal sessions, like meetings, training programs, sessions, seminars etc. but these organizations do not consider informal learning as an important factor towards their development. There is, nowadays, somehow awareness about such type of learning which is going to be fruitful for those organizations.

6. Recommendations

6.1. Recommendations for Future Research

- Informal learning should be viewed as important and integral part of an organizational culture.

- Organizations should encourage an atmosphere of informal learning.
- Organizations must have to conduct seminars and sessions in order to make employees aware of the importance and applicability of informal learning in the course of individual and organizational development.
- Organizations must create a platform where employees would express and demonstrate the informally learnt skills in their daily jobs.
- Employees who are not aware of the significance of informal learning be counseled, inspired and motivated to be part of life-long learning processes.

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